

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report: July 26, 2011

CUMMINS INC.

(Exact name of registrant as specified in its charter)

1-4949

(Commission File Number)

Indiana
(State or other Jurisdiction of
Incorporation)

35-0257090
(I.R.S. Employer Identification
No.)

500 Jackson Street

P. O. Box 3005

Columbus, IN 47202-3005

(Principal Executive Office) (Zip Code)

Registrant's telephone number, including area code: (812) 377-5000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions *see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On July 26, 2011, Cummins Inc. issued a press release regarding its release of second quarter results.

Item 7.01. Regulation FD Disclosure

The following information is furnished pursuant to Item 2.02, "Results of Operations and Financial Condition" and Item 7.01, "Regulation FD Disclosure."

On July 26, 2011, Cummins Inc. ("Cummins," "the Company," "the registrant," "we," "our," or "us") issued the attached press release reporting its financial results for the second quarter of 2011. A copy of Cummins' press release is attached hereto as Exhibit 99 and hereby incorporated by reference.

Item 9.01. Financial Statements and Exhibits.

(d) The following exhibit is furnished herewith:

99-Press Release dated July 26, 2011

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 26, 2011

CUMMINS INC.
/s/ **Marsha L. Hunt**

Marsha L. Hunt
Vice President - Corporate Controller
(Principal Accounting Officer)

(Unaudited) (a)

In millions, except per share amounts	Three months ended		
	June 26, 2011	March 27, 2011	June 27, 2010
NET SALES	\$ 4,641	\$ 3,860	\$ 3,208
Cost of sales	3,438	2,903	2,455
GROSS MARGIN	1,203	957	753
OPERATING EXPENSES AND INCOME			
Selling, general and administrative expenses	463	389	354
Research, development and engineering expenses	157	129	96
Equity, royalty and interest income from investees (Note 1)	117	96	97
Gain on sale of business (Note 2)	68	-	-
Other operating (expense) income, net	-	(6)	(4)
OPERATING INCOME	768	529	396
Interest income	10	6	5
Interest expense	13	10	9
Other income (expense), net	(3)	(3)	-
INCOME BEFORE INCOME TAXES	762	522	392
Income tax expense (Note 3)	225	157	122
CONSOLIDATED NET INCOME	537	365	270
Less: Net income attributable to noncontrolling interests	32	22	24
NET INCOME ATTRIBUTABLE TO CUMMINS INC.	\$ 505	\$ 343	\$ 246
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CUMMINS INC.			
Basic	\$ 2.61	\$ 1.75	\$ 1.25
Diluted	\$ 2.60	\$ 1.75	\$ 1.25
WEIGHTED AVERAGE SHARES OUTSTANDING			
Basic	193.8	195.5	196.9
Diluted	194.4	196.1	197.3
CASH DIVIDENDS DECLARED PER COMMON SHARE	\$ 0.2625	\$ 0.2625	\$ 0.175

(a) Prepared on an unaudited basis in accordance with accounting principles generally accepted in the United States of America (GAAP).

CUMMINS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited) (a)

In millions, except per share amounts	Six months ended	
	June 26, 2011	June 27, 2010
NET SALES	\$ 8,501	\$ 5,686
Cost of sales	6,341	4,332
GROSS MARGIN	2,160	1,354
OPERATING EXPENSES AND INCOME		
Selling, general and administrative expenses	852	689
Research, development and engineering expenses	286	188
Equity, royalty and interest income from investees (Note 1)	213	173
Gain on sale of business (Note 2)	68	-
Other operating (expense) income, net	(6)	(8)
OPERATING INCOME	1,297	642
Interest income	16	8
Interest expense	23	18
Other income (expense), net	(6)	17
INCOME BEFORE INCOME TAXES	1,284	649
Income tax expense (Note 3)	382	209
CONSOLIDATED NET INCOME	902	440
Less: Net income attributable to noncontrolling interests	54	45
NET INCOME ATTRIBUTABLE TO CUMMINS INC.	\$ 848	\$ 395
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CUMMINS INC.		

Basic	\$	4.36	\$	2.00
Diluted	\$	4.34	\$	2.00
WEIGHTED AVERAGE SHARES OUTSTANDING				
Basic		194.6		197.6
Diluted		195.2		197.9
CASH DIVIDENDS DECLARED PER COMMON SHARE				
	\$	0.525	\$	0.35

(a) Prepared on an unaudited basis in accordance with accounting principles generally accepted in the United States of America (GAAP).

CUMMINS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited) (a)

In millions, except par value	June 26, 2011	December 31, 2010
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,111	\$ 1,023
Marketable securities	363	339
Total cash, cash equivalents and marketable securities	1,474	1,362
Accounts and notes receivable, net	2,780	2,243
Inventories	2,275	1,977
Deferred income taxes	305	314
Prepaid expenses and other current assets	303	393
Total current assets	7,137	6,289
Long-term assets		
Property, plant and equipment	5,103	4,927
Accumulated depreciation	(2,986)	(2,886)
Property, plant and equipment, net	2,117	2,041
Investments and advances related to equity method investees	761	734
Goodwill	348	367
Other intangible assets, net	216	222
Deferred income taxes	115	203
Other assets	619	546
Total assets	\$ 11,313	\$ 10,402
LIABILITIES		
Current liabilities		
Loans payable	\$ 59	\$ 82
Accounts payable (principally trade)	1,686	1,362
Current portion of accrued product warranty	429	421
Accrued compensation, benefits and retirement costs	419	468
Deferred revenue	202	182
Taxes payable (including taxes on income)	255	202
	663	543
Other accrued expenses		
Total current liabilities	3,713	3,260
Long-term liabilities		
Long-term debt	702	709
Pensions	110	195
Postretirement benefits other than pensions	432	439
Other liabilities and deferred revenue	839	803
Total liabilities	5,796	5,406
EQUITY		
Cummins Inc. shareholders' equity		
Common stock, \$2.50 par value, 500 shares authorized, 222.1 and 221.8 shares issued	1,968	1,934
Retained earnings	5,191	4,445
Treasury stock, at cost, 27.4 and 24.0 shares	(1,333)	(964)
Common stock held by employee benefits trust, at cost, 1.9 and 2.1 shares	(23)	(25)
Accumulated other comprehensive loss		
Defined benefit postretirement plans	(613)	(646)
Other	(32)	(74)
Total accumulated other comprehensive loss	(645)	(720)
Total Cummins Inc. shareholders' equity	5,158	4,670
Noncontrolling interests	359	326
Total equity	5,517	4,996
Total liabilities and equity	\$ 11,313	\$ 10,402

(a) Prepared on an unaudited basis in accordance with accounting principles generally accepted in the United States of America (GAAP).

CUMMINS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited) (a)

In millions	Six months ended	
	June 26, 2011	June 27, 2010

CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated net income		\$ 902	\$ 440
Adjustments to reconcile consolidated net income to net cash provided by operating activities:			
Depreciation and amortization		159	161
Gain on sale of business (Note 2)		(68)	-
Gain on fair value adjustment for consolidated investee		-	(12)
Deferred income taxes		87	43
Equity in income of investees, net of dividends		2	(49)
Pension contributions in excess of expense		(47)	(116)
Excess tax benefits on stock based awards		(4)	(7)
Other post-retirement benefits payments in excess of expense		(10)	(7)
Stock-based compensation expense		18	11
Translation and hedging activities		(6)	3
Changes in current assets and liabilities, net of acquisitions and divestitures:			
Accounts and notes receivable		(513)	(57)
Inventories		(290)	(301)
Other current assets		11	1
Accounts payable		307	239
Accrued expenses		169	(14)
Changes in other liabilities and deferred revenue		58	66
Other, net		(31)	26
Net cash provided by operating activities		<u>744</u>	<u>427</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures		(215)	(91)
Investments in internal use software		(22)	(22)
Proceeds from disposals of property, plant and equipment		5	42
Investments in and advances to equity investees		(20)	(1)
Proceeds from sale of business, net of cash sold (Note 2)		111	-
Acquisition of businesses, net of cash acquired		-	(71)
Investments in marketable securities—acquisitions		(361)	(358)
Investments in marketable securities—liquidations		343	278
Cash flows from derivatives not designated as hedges		6	(18)
Other, net		2	(2)
Net cash used in investing activities		<u>(151)</u>	<u>(243)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		60	85
Payments on borrowings and capital lease obligations		(94)	(37)
Net borrowings under short-term credit agreements		11	(1)
Distributions to noncontrolling interests		(26)	(4)
Dividend payments on common stock		(102)	(70)
Repurchases of common stock		(373)	(162)
Excess tax benefits on stock-based awards		4	7
Other, net		7	9
Net cash used in financing activities		<u>(513)</u>	<u>(173)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
Net increase (decrease) in cash and cash equivalents		<u>8</u>	<u>(17)</u>
Cash and cash equivalents at beginning of year		1,023	930
CASH AND CASH EQUIVALENTS AT END OF PERIOD		<u>\$ 1,111</u>	<u>\$ 924</u>

(a) Prepared on an unaudited basis in accordance with accounting principles generally accepted in the United States of America (GAAP).

CUMMINS INC. AND SUBSIDIARIES
SEGMENT INFORMATION
(Unaudited)

In millions	Power Generation		Components	Distribution	Non-segment Items ⁽¹⁾		Total
	Engine						
Three months ended June 26, 2011							
External sales	\$ 2,476	\$ 649	\$ 741	\$ 775	\$ -	\$ -	\$ 4,641
Intersegment sales	424	260	291	10	(985)	-	-
Total sales	<u>2,900</u>	<u>909</u>	<u>1,032</u>	<u>785</u>	<u>(985)</u>		<u>4,641</u>
Depreciation and amortization ⁽²⁾	44	11	18	5	-	-	78
Research, development and engineering expenses	102	12	43	-	-	-	157
Equity, royalty and interest income from investees	49	13	9	46	-	-	117
Interest income	6	3	1	-	-	-	10
Segment EBIT	377	105	120	106	67		775
Three months ended March 27, 2011							
External sales	\$ 2,006	\$ 557	\$ 660	\$ 637	\$ -	\$ -	\$ 3,860
Intersegment sales	385	238	264	5	(892)	-	-
Total sales	<u>2,391</u>	<u>795</u>	<u>924</u>	<u>642</u>	<u>(892)</u>		<u>3,860</u>
Depreciation and amortization ⁽²⁾	45	10	18	6	-	-	79
Research, development and engineering expenses	80	11	37	1	-	-	129
Equity, royalty and interest income from investees	42	8	8	38	-	-	96
Interest income	3	1	1	1	-	-	6
Segment EBIT	290	89	105	89	(41)		532

Three months ended June 27, 2010

External sales	\$ 1,595	\$ 518	\$ 522	\$ 573	\$ -	\$ 3,208
Intersegment sales	304	190	207	3	(704)	-
Total sales	<u>1,899</u>	<u>708</u>	<u>729</u>	<u>576</u>	<u>(704)</u>	<u>3,208</u>
Depreciation and amortization ⁽²⁾	42	11	21	7	-	81
Research, development and engineering expenses	62	8	26	-	-	96
Equity, royalty and interest income from investees	52	9	6	30	-	97
Interest income	2	1	1	1	-	5
Segment EBIT	197	76	75	69	(16)	401

Six months ended June 26, 2011

External sales	\$ 4,482	\$ 1,206	\$ 1,401	\$ 1,412	\$ -	\$ 8,501
Intersegment sales	809	498	555	15	(1,877)	-
Total sales	<u>5,291</u>	<u>1,704</u>	<u>1,956</u>	<u>1,427</u>	<u>(1,877)</u>	<u>8,501</u>
Depreciation and amortization ⁽²⁾	89	21	36	11	-	157
Research, development and engineering expenses	182	23	80	1	-	286
Equity, royalty and interest income from investees	91	21	17	84	-	213
Interest income	9	4	2	1	-	16
Segment EBIT	667	194	225	195	26	1,307

Six months ended June 27, 2010

External sales	\$ 2,768	\$ 896	\$ 975	\$ 1,047	\$ -	\$ 5,686
Intersegment sales	554	329	384	5	(1,272)	-
Total sales	<u>3,322</u>	<u>1,225</u>	<u>1,359</u>	<u>1,052</u>	<u>(1,272)</u>	<u>5,686</u>
Depreciation and amortization ⁽²⁾	83	21	41	14	-	159
Research, development and engineering expenses	122	15	51	-	-	188
Equity, royalty and interest income from investees	87	15	11	60	-	173
Interest income	4	2	1	1	-	8
Segment EBIT	330	110	132	141	(46)	667

(1)

Includes intersegment sales and profit in inventory eliminations and unallocated corporate expenses. The three and six months ended June 26, 2011, include a \$68 million gain related to the sale of our exhaust business from the Components segment. The gain has been excluded from segment results as it was not considered by management in its evaluation of operating results for the three and six months ended June 26, 2011. There were no other significant unallocated corporate expenses for the three and six months ended June 26, 2011 and June 27, 2010.

(2) Depreciation and amortization as shown on a segment basis excludes the amortization of debt discount that is included in the *Condensed Consolidated Statements of Income* as "Interest expense."

CUMMINS INC. AND SUBSIDIARIES
RECONCILIATION OF SEGMENT INFORMATION
(Unaudited)

A reconciliation of our segment information to the corresponding amounts in the *Condensed Consolidated Statements of Income* is shown in the table below:

In millions	Three months ended			Six months ended	
	June 26, 2011	March 27, 2011	June 27, 2010	June 26, 2011	June 27, 2010
Segment EBIT	\$ 775	\$ 532	\$ 401	\$ 1,307	\$ 667
Less:					
Interest expense	13	10	9	23	18
Income before income taxes	<u>\$ 762</u>	<u>\$ 522</u>	<u>\$ 392</u>	<u>\$ 1,284</u>	<u>\$ 649</u>

CUMMINS INC. AND SUBSIDIARIES
SELECTED FOOTNOTE DATA
(Unaudited)

NOTE 1. EQUITY, ROYALTY AND INTEREST INCOME FROM INVESTEES

Equity, royalty and interest income from investees included in our *Condensed Consolidated Statements of Income* for the interim reporting periods was as follows:

In millions	Three months ended			Six months ended	
	June 26, 2011	March 27, 2011	June 27, 2010	June 26, 2011	June 27, 2010
Distribution Entities					
North American distributors	\$ 35	\$ 30	\$ 23	\$ 65	\$ 46
Komatsu Cummins Chile, Ltda	6	4	3	10	6
All other distributors	1	1	1	2	2
Manufacturing Entities					
Dongfeng Cummins Engine Company, Ltd.	26	23	34	49	52
Chongqing Cummins Engine Company, Ltd.	19	12	13	31	23
Shanghai Fleetguard Filter Co., Ltd.	4	4	4	8	6
Tata Cummins, Ltd.	3	4	3	7	7
Cummins Westport, Inc.	3	1	2	4	5
Valvoline Cummins, Ltd.	2	2	3	4	5

Komatsu manufacturing alliances	(1)	2	3	1	5
Beijing Foton Cummins Engine Co., Ltd.	(1)	(2)	(4)	(3)	(6)
All other manufacturers	6	6	4	12	7
Cummins share of net income	103	87	89	190	158
Royalty and interest income	14	9	8	23	15
Equity, royalty and interest income from investees	\$ 117	\$ 96	\$ 97	\$ 213	\$ 173

NOTE 2. SALE OF EXHAUST BUSINESS

In January 2011, we reached an agreement to sell certain assets and liabilities of our exhaust business which manufactures exhaust products and select components for emission systems for a variety of applications. The transaction closed in the second quarter of 2011. This business was historically included in our Components segment. The sales price was \$123 million. We recognized a pre-tax gain on the sale of \$68 million, which included an allocation of goodwill of \$19 million. The transaction has a working capital adjustment mechanism that will be determined in the third quarter. We do not expect a significant change to the measurement of the gain. The gain has been excluded from segment results as it was not considered by management in its evaluation of operating results for the three and six months ended June 26, 2011.

Sales for this business were \$171 million, \$126 million and \$169 million in 2010, 2009 and 2008, respectively. Income before income taxes for this business was approximately \$22 million, \$11 million and \$19 million in 2010, 2009 and 2008, respectively.

We will enter into supply and other agreements with the operations that will represent ongoing involvement and as such, the results of these operations will not be presented as discontinued operations.

NOTE 3. INCOME TAXES

Our effective tax rate for the year is expected to approximate 29.5 percent, absent any discrete period activity. Our tax rate is generally less than the 35 percent U.S. income tax rate primarily due to lower tax rates on foreign income and research tax credits. The tax rates for the three and six month periods ended June 26, 2011, were 29.5 percent and 29.8 percent. The tax rate for the three and six month periods ended June 26, 2011, includes a discrete tax charge of \$4 million related to the enactment of state law changes in Indiana.

Our effective tax rates for the comparable prior year periods were 31.1 percent and 32.2 percent, respectively. The tax rate for the six month period includes a discrete tax charge of \$7 million (one percent) related to the enactment of the "Patient Protection and Affordable Care Act." The lower rate in 2011 compared to 2010 is a result of the geographic mix of earnings.

CUMMINS INC. AND SUBSIDIARIES FINANCIAL MEASURES THAT SUPPLEMENT GAAP (Unaudited)

Earnings before interest, taxes and noncontrolling interests

We define EBIT as earnings or loss before interest expense, income tax expense and noncontrolling interests in income of consolidated subsidiaries (EBIT). We use EBIT to assess and measure the performance of our operating segments and also as a component in measuring our variable compensation programs. Below is a reconciliation of EBIT, a non-GAAP financial measure, to "Net income attributable to Cummins Inc.," for each of the applicable periods:

In millions	Three months ended			Six months ended	
	June 26, 2011	March 27, 2011	June 27, 2010	June 26, 2011	June 27, 2010
Earnings before interest expense, income taxes and gain on sale of business	\$ 707	\$ 532	\$ 401	\$ 1,239	\$ 667
<i>Earnings before interest expense, income taxes and gain on divestiture as a percentage of net sales</i>	15.2%	13.8%	12.5%	14.6%	11.7%
Add:					
Gain on sale of business	68	-	-	68	-
Earnings before interest expense and income taxes	775	532	401	1,307	667
<i>EBIT as a percentage of net sales</i>	16.7%	13.8%	12.5%	15.4%	11.7%
Less:					
Interest expense	13	10	9	23	18
Income tax expense	225	157	122	382	209
Consolidated net income	537	365	270	902	440
Less:					
Net income attributable to noncontrolling interests	32	22	24	54	45
Net income attributable to Cummins Inc.	\$ 505	\$ 343	\$ 246	\$ 848	\$ 395
<i>Net income attributable to Cummins Inc. as a percentage of net sales</i>	10.9%	8.9%	7.7%	10.0%	6.9%

Net income and diluted earnings per share (EPS) attributable to Cummins Inc. excluding gain on sale of business

We believe this is a useful measure of our operating performance for the periods presented as it illustrates our underlying operating performance and trends without regard to the gain related to the sale of our exhaust business. This measure is not in accordance with, or an alternative for, accounting principles generally accepted in the United States of America and may not be consistent with measures used by other companies. It should be considered supplemental data. The following table reconciles net income attributable to Cummins Inc. excluding gain on sale of business to "Net income attributable to Cummins Inc." for the three and six months ended June 26, 2011.

Three months ended

Six months ended

In millions	June 26, 2011		June 26, 2011	
	Net Income	Diluted EPS	Net Income	Diluted EPS
Net income attributable to Cummins Inc. excluding the gain on sale of business	\$ 468	\$ 2.41	\$ 811	\$ 4.15
Add:				
Gain on sale of business(1)	37	0.19	37	0.19
Net income attributable to Cummins Inc.	\$ 505	\$ 2.60	\$ 848	\$ 4.34

(1)The gain has been excluded from operating results as it was not considered by management in its evaluation of performance for the three and six months ended June 26, 2011.

**CUMMINS INC. AND SUBSIDIARIES
BUSINESS UNIT SALES DATA
(Unaudited)**

Engine segment net sales by market

2011 In millions	Q1	Q2	Q3	Q4	YTD
Heavy-duty truck	\$ 485	\$ 693	\$ -	\$ -	\$ 1,178
Medium-duty truck and bus	474	608	-	-	1,082
Light-duty auto and RV	296	310	-	-	606
Industrial	855	988	-	-	1,843
Stationary power	281	301	-	-	582
Total sales	\$ 2,391	\$ 2,900	\$ -	\$ -	\$ 5,291

2010 In millions	Q1	Q2	Q3	Q4	YTD
Heavy-duty truck	\$ 252	\$ 340	\$ 395	\$ 516	\$ 1,503
Medium-duty bus and truck	217	352	430	436	1,435
Light-duty auto and RV	207	296	239	280	1,022
Industrial	577	656	700	956	2,889
Stationary power	170	255	305	309	1,039
Total sales	\$ 1,423	\$ 1,899	\$ 2,069	\$ 2,497	\$ 7,888

Unit shipments by engine classification (including unit shipments to Power Generation)

2011 Units	Q1	Q2	Q3	Q4	YTD
Midrange	109,400	131,300	-	-	240,700
Heavy-duty	20,000	29,900	-	-	49,900
High-horsepower	4,900	5,700	-	-	10,600
Total units	134,300	166,900	-	-	301,200

2010 Units	Q1	Q2	Q3	Q4	YTD
Mid-range	69,100	90,500	93,500	115,800	368,900
Heavy-duty	8,700	14,500	15,200	22,800	61,200
High horsepower	3,400	4,800	4,900	5,400	18,500
Total units	81,200	109,800	113,600	144,000	448,600

Power generation segment sales by business

2011 In millions	Q1	Q2	Q3	Q4	YTD
Commercial products	\$ 505	\$ 568	\$ -	\$ -	\$ 1,073
Generator technologies	153	190	-	-	343
Commercial projects	55	58	-	-	113
Consumer	50	53	-	-	103
Power electronics	32	40	-	-	72
Total sales	\$ 795	\$ 909	\$ -	\$ -	\$ 1,704

2010 In millions	Q1	Q2	Q3	Q4	YTD
Commercial products	\$ 307	\$ 436	\$ 519	\$ 569	\$ 1,831
Generator technologies	107	135	140	167	549
Commercial projects	33	57	49	83	222
Consumer	43	49	49	45	186
Power electronics	27	31	34	39	131
Total sales	\$ 517	\$ 708	\$ 791	\$ 903	\$ 2,919

**CUMMINS INC. AND SUBSIDIARIES
BUSINESS UNIT SALES DATA
(Unaudited)**

Component segment sales by business

2011

In millions	Q1	Q2	Q3	Q4	YTD
Turbo technologies	\$ 297	\$ 314	\$ -	\$ -	\$ 611
Emission solutions	273	319	-	-	592
Filtration	255	287	-	-	542
Fuel systems	99	120	-	-	219
Elimination	-	(8)	-	-	(8)
Total sales	<u>\$ 924</u>	<u>\$ 1,032</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,956</u>

2010

In millions	Q1	Q2	Q3	Q4	YTD
Turbo technologies	\$ 200	\$ 226	\$ 239	\$ 283	\$ 948
Emission solutions	137	170	192	251	750
Filtration	228	250	248	285	1,011
Fuel systems	65	83	90	99	337
Total sales	<u>\$ 630</u>	<u>\$ 729</u>	<u>\$ 769</u>	<u>\$ 918</u>	<u>\$ 3,046</u>

Distribution segment sales by product

2011

In millions	Q1	Q2	Q3	Q4	YTD
Parts and filtration	\$ 235	\$ 271	\$ -	\$ -	\$ 506
Power generation	145	195	-	-	340
Engines	140	186	-	-	326
Service	122	133	-	-	255
Total sales	<u>\$ 642</u>	<u>\$ 785</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,427</u>

2010

In millions	Q1	Q2	Q3	Q4	YTD
Parts and filtration	\$ 193	\$ 221	\$ 220	\$ 248	\$ 882
Power generation	99	135	125	157	516
Engines	83	109	112	162	466
Service	101	111	116	132	460
Total sales	<u>\$ 476</u>	<u>\$ 576</u>	<u>\$ 573</u>	<u>\$ 699</u>	<u>\$ 2,324</u>

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Contact:

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July 26, 2011

Cummins reports record second quarter results

- **Raises full-year revenue guidance to \$18 billion, EBIT to 14.5 percent**

COLUMBUS, IN – Cummins Inc. (NYSE: CMI) today reported record sales and earnings for the second quarter on strong growth in nearly every global market. The Company's Engine, Components and Distribution segments each delivered record sales and earnings.

Second quarter sales were \$4.6 billion, up 45 percent from the same period last year. Earnings before interest and taxes (EBIT) were \$775 million and included a \$68 million gain on the sale of the exhaust business from our Components segment. Excluding the gain from the sale of the exhaust business, EBIT was \$707 million, or 15.2 percent of sales, the highest level and percent of sales the company has reported in any quarterly period in its history.

Net income attributable to Cummins Inc. in the second quarter was \$505 million or \$2.60 per diluted share. Excluding the \$68 million gain (\$37 million after tax or \$0.19 per share), the Company reported earnings of \$2.41 per share compared to \$1.25 per share in the second quarter of 2010.

"The Company's performance in the second quarter underscores the success of our long-term strategy to diversify and seek profitable growth across geographies and end markets," says Tim Solso, Chairman and Chief Executive Officer. "As a result of our efforts over the last 10 years, Cummins is better positioned than ever to grow in this global economy."

As a result of the Company's performance in the quarter and its outlook for the remainder of the year, Cummins today increased both its sales and EBIT forecast for 2011. The Company now expects to earn 14.5 percent EBIT on \$18 billion in sales in 2011. This forecast excludes any current or future gains from the sale of businesses.

Engine segment sales of \$2.9 billion were up 53 percent compared to the same quarter a year ago. They were driven by strong growth in global truck markets and off-highway markets including mining and oil and gas. Engine EBIT was \$377 million, or 13 percent of sales.

Within the Engine segment, Cummins' EPA-2010 engines continue to perform well in terms of reliability and fuel economy. In North America, Cummins has shipped 126,000 medium- and heavy-duty engines equipped with Selective Catalytic Reduction aftertreatment devices to truck and bus customers.

The Components segment, driven by recovery in North American on-highway markets, had its first billion-plus sales quarter. Sales of \$1 billion were up 42 percent year-over-year, and segment EBIT was a record \$120 million or 11.6 percent of sales. The gain on the sale of the exhaust business was not included in the segment results.

The Distribution segment saw a sales increase of 36 percent compared to the second quarter of 2010 to \$785 million as a result of strong demand in oil and gas, mining and power generation markets. Segment EBIT of \$106 million, or 13.5 percent of sales, was a quarterly record.

Cummins' Power Generation segment had sales of \$909 million, a year-over-year increase of 28 percent, while segment EBIT was \$105 million or 11.6 percent of sales. Revenue growth was strongest in the U.S., Europe and China.

The Company's non- U.S. markets continued to show strong growth and Cummins had record sales in Brazil, India and China.

"I am very optimistic about Cummins' future," said Tom Linebarger, President and Chief Operating Officer. "We are experiencing strong global demand in most of our markets. Our products are performing very well, we have strong leadership positions, and we are delivering strong profitability in all four businesses."

In other developments:

- The Company increased its dividend by 52 percent.
- Cummins repurchased \$183 million worth of stock, or 1.6 million shares.
- Fitch Ratings increased Cummins' credit rating to A-.

Second quarter details (all comparisons to the same period in 2010)

Engine Segment

- Sales - \$2.9 billion, up 53 percent
- Segment EBIT - \$377 million, or 13 percent of sales, compared to \$197 million or 10.4 percent of sales
- Engine shipments to the worldwide medium-duty truck markets were up by 84 percent
- Shipments to worldwide heavy-duty truck markets were up 159 percent
- Oil and gas shipments rose 174 percent

Power Generation

- Sales - \$909 million, up 28 percent
- Segment EBIT - \$105 million or 11.6 percent of sales, compared to \$76 million or 10.7 percent
- Commercial products business sales increased because of improving economic conditions in most regions, particularly in Asia, North America, Brazil and the U.K.
- Generator technologies sales increased in most regions, especially in Western Europe, Eastern Asia and the U.K.

Components

- Sales - \$1.0 billion, up 42 percent
- EBIT - \$120 million, or 11.6 percent of sales, compared to \$75 million or 10.3 percent of sales
- Emission solutions business sales were driven by higher volume and technology content in North American EPA 2010 aftertreatment systems and increased demand for Euro V aftertreatment systems in Europe
- Turbo technologies business sales were up because of increased demand in North America, Europe and India from OEMs

Distribution

- Sales - \$785 million, up 36 percent
- EBIT - \$106 million or 13.5 percent of sales, compared to \$69 million or 12 percent of sales
- Revenue growth was driven by strong global demand for whole goods and parts

Click [here](#) to read the financial statements from the second quarter.

Presentation of Non-GAAP Financial Information

EBIT is a non-GAAP measure used in this release, and is defined and reconciled to what management believes to be the most comparable GAAP measure in a schedule attached to this release. Cummins presents this information as it believes it is useful to understanding the Company's operating performance, and because EBIT is a measure used internally to assess the performance of the operating units.

Webcast information

Cummins management will host a teleconference to discuss these results today at 10 a.m. EST. This teleconference will be webcast and available on the Investor Relations section of the Cummins website at www.cummins.com. Participants wishing to view the visuals available with the audio are encouraged to sign-in a few minutes prior to the start of the teleconference.

About Cummins

Cummins Inc., a global power leader, is a corporation of complementary business units that design, manufacture, distribute and service engines and related technologies, including fuel systems, controls, air handling, filtration, emission solutions and electrical power generation systems. Headquartered in Columbus, Indiana, (USA) Cummins employs approximately 40,000 people worldwide and serves customers in approximately 190 countries and territories through a network of more than 600 company-owned and independent distributor locations and approximately 6,000 dealer locations. Cummins earned \$1.0 billion on sales of \$13.2 billion in 2010. Press releases can be found on the Web at www.cummins.com.

Forward-looking disclosure statement

Information provided in this release that is not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the company's expectations, hopes, beliefs and intentions on strategies regarding the future. It is important to note that the company's actual future results could differ materially from those projected in such forward-looking statements because of a number of factors, including, but not limited to, general economic, business and financing conditions, labor relations, governmental action, competitor pricing activity, expense volatility and other risks detailed from time to time in Cummins Securities and Exchange Commission filings.